

POSITION DESCRIPTION

Agriculture Auditor 3 – Producer Security Section (Grain)

Division of Trade and Consumer Protection – Bureau of Business Trade Practices

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POSITION SUMMARY

This is the advanced developmental level auditor position, performing field audits, inspections of a technical nature of grain and financial records, for the Department of Agriculture, Trade and Consumer Protection of facilities that buy, sell or store grain to determine compliance with the provisions of Chapter 126, Wis. Stats., Agricultural Producer Security Act. Many of the firms audited are large multi-state firms and some are international firms, including 90 grain warehouse keepers and 225 grain dealers.

This position functions under limited progressing to general supervision following instruction received through training conferences, audit reports, and general administrative review. In case of emergency, or as workload demands, may be assigned other tasks of a similar nature.

GOAL AND WORKER ACTIVITIES

30% GOAL A: Review and audit business records and relevant documents to determine the status of their grain accountability and accuracy. Conduct physical inventory of grain warehouse keepers and grain dealers in accordance with standards of Chapter 126, Wis. Stats.

- A.1 If this is the first audit, or if new storage facilities have been added, prior to visit, measure and diagram the facilities to determine the storage capacity of each building, bin, hopper, dryer, etc.
- A.2 Measure the grain in each building, bin, etc., and through the use of geometric formulas and mathematical calculations, test weights use of grain and pack factors, determine the amount of grain per foot and the total amount of grain in holding to obtain the grain inventory.
- A.3. Examine the warehouse receipts in possession of the warehouse keeper evidencing forwarded grain stored in other warehouses.
- A.4. Calculate total grain inventory by adding together grain inventory and forwarded grain.
- A.5. Examine the warehouse keeper's warehouse receipts register to determine what warehouse receipts are outstanding and calculate total bushels for which warehouse receipts have been issued.
- A.6. Examine individual producer settlement sheets and scale tickets to determine the amount of grain held in open storage for producers.
- A.7. Examine individual producer settlement sheets and scale tickets to determine how much Grain Bank grain is being held for producers.
- A.8. Examine deferred pricing and basis contracts, both purchases and sales, to:
 - (1) Determine quantity of grain received and unpriced as of audit date.
 - (2) Determine the amount of grain sales made and shipped but unpriced as of audit date.
 - (3) Determine the portion of grain hedged on futures market.

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- A.9. Examine the Daily Position Record (DPR), which is a perpetual inventory of all grain transactions, showing, for each type of grain, grain received for open storage, company-owned grain, grain bank grain, warehouse receipted grain, or purchased grain, and all grain moved out for each type of grain and category of storage, plus sales. (This should agree with grain inventory figures.)
- A.10. Examine trade accounts receivable to determine total trade accounts receivable, age accounts receivable to evaluate the collectability of accounts.
- A.11. Examine trade accounts payable to determine total trade accounts payable, age accounts payable to determine timeliness of payment on accounts payable.
- A.12. Review audit reports of other auditors for completeness and accuracy.
- A.13. Train new auditors in the very complex procedures of auditing grain warehouses and measuring grain inventory.

20% GOAL B: Conduct additional research, investigation and calculations to determine the company financial health and evaluate business operations.

- B.1 Compute the checkbook balance and the margin account balance to verify the balances in these two accounts as of the date of the audit.
- B.2 Analyze the current ratio by totaling all current assets excluding past due accounts over 180 days and divide by total current liabilities. Be sure to include current portion of long-term liabilities.
- B.3 Analyze the insurance coverage on the grain inventory, verifying that the amount of insurance is adequate to cover existing inventory, multiplying by local market price per bushel or each type of grain.
- B.4 Spot-check incoming grain transactions by tracing scale ticket for each type of grain transaction (grain bank, warehouse receipted grain, open storage, deferred price purchase, cash purchase) from the producer settlement sheet, through the subsidiary ledger to the general ledger.
- B.5 Send verification letters to confirm open storage, grain bank and deferred price purchases where grain has been received, to a random sample of each type of account.
- B.6 Send verification letters to verify the company's position in the commodities futures market.
- B.7 Verify the accounts receivable and accounts payable by sending verification letters to random samples of accounts on all companies that do not have audited financial statements.
- B.8 Examine all futures contracts that the company has executed on the Chicago Board of trade or other commodity market, both purchases and sales, to determine if the company is properly hedging or if they are in a speculative position.

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10% GOAL C: Determine whether warehouse keepers are meeting the minimum liquidity standard established by statute, or whether security for producers must be deposited with the Department.

- C.1. Analyze audit findings relative to statute standards.
- C.2. Ensure licensee is properly reporting storage and purchase amounts.
- C.3. Submit a report of findings including items such as a quick ratio of assets to liabilities.
- C.4. In cases of noncompliance, report and recommend appropriate course of action to Producer Security Section Chief.
- C.5. Participate with follow-up or field work as directed, to evaluate compliance regarding enforcement actions.

20% GOAL D: Document audit findings and provide consultation, issue corrective action directives, or other appropriate action.

- D.1 Alert the Department to problems of insufficient grain on hand to meet storage obligations.
- D.2 Write audit report and issue memorandum of adjustment to warehouse keeper pointing out problems and making recommendations regarding corrective action to be taken by the warehouse keeper.
- D.3 Discuss audit findings with warehouse keepers, pointing out discrepancies and corrective action needed.
- D.4 Testify at administrative or court proceedings relative to audit findings.

15% GOAL E: Conduct follow-up compliance enforcement activities to determine whether a warehouse keeper or grain dealer has made the necessary corrections recommended in the memorandum of adjustments previously issued or if it is necessary bring formal action should be brought against the warehouse keeper or grain dealer.

- E.1 Conduct follow-up audit of warehouse keeper or grain dealer for compliance with Chapter 126.
- E.2 Prepare audit report indicating if corrective action has been accomplished or whether corrective action still needs to be taken.
- E.3. Prepare report of finding and audits along with all necessary exhibits (copies of checks, scale tickets, contracts, etc.) to document alleged violations of Chapter 126.
- E.4 Recommend enforcement action appropriate in view of firsthand knowledge of situation.

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5% GOAL F: Conduct outreach activities regarding Department Policies and State Statutes.

- F.1. Draft Program wide brochures/fact sheets for distribution at agency events (farm progress days).
- F.2. Educate producers who also serve as contractors. Identify potential contractors through directories, newspaper ads, etc.
- F.3. Train organizations on best accounting and filing practices.
- F.4. Perform other duties as assigned.

KNOWLEDGE, SKILLS AND ABILITIES REQUIRED BY THIS POSITION

- 1. Extensive knowledge of generally accepted accounting principles, and auditing methods and procedures.
- 2. Extensive knowledge of algebraic and geometric principles and the skill to apply these principles.
- 3. Extensive knowledge of Chapter 126, Wis. Stats., Agricultural Producer Security Act, and federal grain dealers and warehouse keepers grain programs.
- 4. Extensive knowledge relative to the commodity market, futures pricing and hedging.
- 5. Skill in climbing great heights and extensive knowledge of safety factors and hazards encountered in warehouse operations.
- 6. Skill in communicating, both written and public speaking, with groups or on a one-to-one basis.

SPECIAL REQUIREMENTS

- A. Regular travel (75%) to audit grain facilities and warehouses is required.
- B. Must possess a valid driver's license, personal automobile insurance, and a motor vehicle for work use. Note: mileage compensation is paid to employees approved for use of personal motor vehicle for official work duties.

PERSONAL CONTACTS AND THEIR PURPOSE

- A. The auditor, besides contact with Division staff, contacts a wide range of people. The most frequent contacts are with management of the various firms where staff conducts audits, certified public accounting firms and banks. The purpose of these contacts is to

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obtain sufficient information to complete and audit, obtain security deposits or resolve problems uncovered by audits.

- B. Contact with grain producers, grain terminal personnel, bankers, grain truckers and commodity brokers to complete an investigation of alleged violations of the law.
- C. Contact with department attorneys, assistant attorney generals, and district attorneys in the prosecution of violations of the grain law.

DISCRETION AND ACCOUNTABILITY

This auditor has limited discretion in the administration and enforcement of the grain dealer and warehouse keeper security program. It is the auditor's decision how the audit is completed and what recommendations are made for correction action, if any. If a serious violation exists, the auditor is required to consult with the Section Chief and Bureau Director. In many situations the auditor is required to recognize signals which indicate deteriorating financial condition before shown by the financial statement, and make recommendations to prevent further financial deterioration.

PHYSICAL DEMANDS

The auditor must have the physical strength to climb grain bins approx. once a week to inventory grain. Bins heights generally range between 20 – 60 feet, but may be as high as 100 feet.

WORKING ENVIRONMENT

Some of the auditor's work takes place in the typical office situation, but much of the work will be done at the business location under less than ideal conditions. Perform work in an environment that includes such factors as foul air, grain dust, inclement weather, extreme heights and moving machinery.

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